

RECORDATION NO. 25482 **FILED**

MAR 03 '05 3-35 PM

SURFACE TRANSPORTATION BOARD

ALVORD AND ALVORD
ATTORNEYS AT LAW
1050 SEVENTEENTH STREET, N.W.
SUITE 301
WASHINGTON, D.C.
20036

(202) 393-2266
FAX (202) 393-2156
E-MAIL alvordlaw@aol.com

ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

OF COUNSEL
URBAN A. LESTER

March 3, 2005

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Master Security Agreement, dated as of February 24, 2005, a primary document as defined in the Board's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are:

Secured Party: The CIT Group/Equipment Finance, Inc.
1540 West Fountainhead Parkway
Tempe, Arizona 85282

Debtor: International Equipment Logistics
210 East Essex Avenue
Avenel, New Jersey 07001

Mr. Vernon A. Williams
March 3, 2005
Page 2

A description of the railroad equipment covered by the enclosed document is:

20 tank cars: DNAX 125025 – DNAX 125044.

A short summary of the document to appear in the index is:

Master Security Agreement.

Also enclosed is a check in the amount of \$32.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in dark ink, appearing to read "E. M. Luria", written in a cursive style.

Edward M. Luria

RWA/anm
Enclosures

03/03/2005 12:04 FAX 4808581491

Financial Service

003

02/24/2005 12:27 FAX 4808581491

Financial Service

003

RECEIVED

25482

FILED

MASTER SECURITY AGREEMENT

MAR 03 '05

3-35 PM

(Railroad Rolling Stock)

SURFACE TRANSPORTATION BOARD

This Master Security Agreement ("Agreement") provides a set of terms and conditions that the Debtor and Secured Party, as identified below, intend to be applicable to various loan transactions secured by personal property. Each such loan and security agreement shall be evidenced by a schedule of indebtedness and collateral ("Schedule") executed by Secured Party and Debtor that explicitly incorporates the provisions of this Master Security Agreement and that sets forth specific terms of that particular loan and security contract. Where the provisions of a Schedule conflict with the terms hereof, the provisions of the Schedule shall prevail. Each Schedule shall constitute a complete and separate loan and security agreement, independent of all other Schedules, and without any requirement of being accompanied by an originally executed copy of this Master Security Agreement. The term "Security Agreement" when used herein shall refer to an individual Schedule.

One originally executed copy of the Schedule shall be denominated "Originally Executed Copy No. 1 of ___ originally executed copies" and such copy shall be retained by Secured Party. If more than one copy of the Schedule is executed by Secured Party and Debtor, all such other copies shall be numbered consecutively with numbers greater than 1. Only transfer of possession by Secured Party of Originally Executed Copy No. 1 shall be effective for purposes of perfecting an interest in such Schedule by possession.

1. **Grant of Security Interest; Description of Collateral.** Debtor grants to Secured Party a security interest in the following assets:

(a) the equipment, inventory and other goods described in the Schedules now or hereafter executed by or pursuant to the authority of the Debtor and accepted by Secured Party in writing, along with all present and future attachments and accessories thereto and replacements (the foregoing are hereafter occasionally referred to as the "Railroad Equipment").

(b) chattel, paper and all other assets and other property described in the Schedules now or hereafter executed by or pursuant to the authority of the Debtor and accepted by Secured Party in writing, not identified in subsection (a) above.

(c) all leases and all other agreements relating to the use of the Railroad Equipment.

(d) All chattel paper, instruments, documents, account rents, right to payment, and General Intangibles arising from or related to the assets specified in subsections (a) and (b) above.

(e) All Supporting Obligations, Insurance Policies and all Proceeds, including without limitation insurance proceeds arising from or related to the assets specified in subsection (a), (b) and (c) above.

(f) All Books and Records relating to or reflecting any foregoing assets. All of the foregoing assets are hereinafter referred to collectively as "Collateral."

The foregoing terms, if not defined herein, shall have the meaning provided in the Uniform Commercial Code of the State.

Each Schedule shall be serially numbered. Unless and only to the extent otherwise expressly provided in a Schedule, no Schedule shall replace any previous Schedule but shall be supplementary to all previous Schedules.

2. **What Obligations the Collateral Secures.**

Each item of Collateral shall secure not only the specific amount which Debtor promises to pay in each Schedule, but also all other present and future indebtedness or obligations of Debtor to Secured Party of every kind and nature whatsoever.

Upon Debtor's full payment and performance of Debtor's obligations under this Master Security Agreement and all schedules hereto, Secured Party shall release its lien on the Collateral provided that Debtor is not in breach or default under any other present or future indebtedness or obligations of Debtor to Secured Party.

3. Promise to Pay; Terms and Place of Payment.

Debtor promises to pay Secured Party the amounts set forth on each Schedule at the rate and upon such terms as provided therein. Such amounts will be advanced directly to the manufacturer of the Railroad Equipment which is being purchased with the loan funds.

Debtor may prepay the amounts specified only to the extent permitted in the Schedule. Any prepayment is to be applied to remaining installments pro rata or in inverse order of maturity.

4. Conditions for Loan. The following are preconditions to the issuance of the loan funds by Secured Party.

(a) Any and all tax liens against Dana Container, Inc., Dana Transport, Inc., Suttles Truck Leasing, L.L.C. and or Ronald Dana shall have been released or satisfied within thirty (30) days of the execution and delivery of this Agreement.

(b) Included among the Railroad Equipment shall be twenty (20) new 2004 25,500 EC Tankercars. Such tankercars will constitute 25.5M gallon liquid tankers with external coils for heating the cargo to lower the viscosity of the various cargo types. The precise nature, condition and character of the tankercars and all accessions thereto must be acceptable to Secured Party, in its discretion.

(c) The loan proceeds shall be used by Debtor solely to purchase the assets specified in the Schedules new from the manufacturer and shall be advanced directly to such manufacturer.

(d) Concurrent with the execution and delivery of this Agreement, Secured Party must receive a Guaranty executed by Dana Container, Inc., Dana Transport, Inc., Suttles Truck Leasing, L.L.C. and or Ronald Dana in form and substance satisfactory to Secured Party.

(e) Concurrent with the execution and delivery of this Agreement, Secured Party must receive a legal opinion from counsel for Debtor addressed to secured Party which verifies that the Debtor has been duly formed; is validly existing; has the corporate authority to, and has been authorized to, enter into this Agreement and all related documents, in form and substance, and from a law firm, acceptable to Secured Party.

(f) Prior to or concurrent with the execution and delivery of this Agreement, Secured Party must receive confirmation that all leases of the Railroad Equipment contain a prohibition against the use of the Railroad Equipment outside the 48 contiguous states of the United States.

(g) Prior to the advance of funds under this Agreement or any Schedule, Secured Party shall have received results of a search of the public records with the Surface Transportation Board, which evidences that there are no liens on the Railroad Equipment.

(h) Prior to the advance of funds under this Agreement or any Schedule, Secured Party shall have received results of a search of the public records in which personal property liens are filed in Puerto Rico which evidences that there are no liens (i) on the Railroad Equipment or (ii) against Debtor which relate to any item of Collateral. If any such liens are discovered, the secured party, which holds such liens, must execute a subordination agreement in form and substance acceptable to Secured Party.

(i) Prior to the advance of funds under this Agreement or any Schedule, Secured Party shall have completed filing of its lien on the Railroad Equipment with the Surface Transportation Board.

(j) Prior to the advance of funds under this Agreement or any Schedule, Debtor shall designate an agent for service of process as provided in Section 17(f) below.

5. Use, Location and Maintenance of Collateral.

(a) Commercial Use. Debtor warrants and agrees that the Collateral is to be used primarily for business or commercial purposes (other than agricultural).

(b) Personal Property. Debtor and Secured Party agree that regardless of the manner of affixation, the Collateral shall remain personal property and not become part of the real estate.

(c) Use. The Debtor shall use the Railroad Equipment only for the service and in the manner for which it was designed, and shall not use the Railroad Equipment for the transportation of corrosive or radioactive materials, or other materials that might cause damage to the Railroad Equipment that could not be practically repaired or would not be covered adequately by insurance required or obtained pursuant hereto.

(d) Compliance with Laws and Rules. The Debtor shall use and maintain the Railroad Equipment in compliance with all laws, government regulations, and standards of the Association of American Railroads and any other national organization applicable to the use, maintenance, and interchange of the Railroad Equipment, and shall at its own expense make such alterations to the Railroad Equipment as may be required from time to time for such compliance.

(e) Location of the Railroad Equipment. Unless the Secured Party shall otherwise agree, the Railroad Equipment shall not be used or assigned for use in service involving the regular operation or maintenance outside of the United States of America.

(f) Hypothecation. The Debtor, so long as it is not in default hereunder, will be entitled to the possession of the Railroad Equipment from and after the delivery thereof to the Debtor, and the use thereof upon the lines of railroad owned or operated by the Debtor (either alone or jointly with another) or by any affiliate, or upon lines over which the Debtor or any affiliate shall have trackage or other operating rights, and the Debtor will also be entitled to permit the use of the Railroad Equipment upon connecting and other railroads in the usual interchange of traffic and upon connecting railroads and other railroads over which through service may from time to time be afforded, but only upon and subject to all the terms and conditions of this agreement.

(g) Identification and Marking. The Debtor shall affix and maintain on each side of each designated unit of the Railroad Equipment (a) the reporting marks assigned to the Debtor by the Association of American Railroads, (b) the identification number set forth in Schedule A hereto for such unit, and (c) such other markings as from time to time may be required by law or deemed necessary by the Secured Party to protect the interests of the Secured Party in the Railroad Equipment.

(h) Maintenance. The Debtor shall keep and maintain the Railroad Equipment in the same condition as when delivered hereunder, ordinary wear and tear excepted. The Debtor shall use replacement parts at least equal in quality and function to the parts originally furnished with the Railroad Equipment. Any replacement parts shall be free of lien or encumbrance when installed.

(i) Accessions and Improvements. All replacement parts installed in maintaining the Railroad Equipment or improvements or modifications required for compliance with the provisions of this Agreement will be considered accessions and will, upon installation, automatically be subject to the security interest of the Secured Party. The Debtor may make other improvements or additions to the Railroad Equipment if such improvement is separately identifiable, will not impair the originally intended function of the Railroad Equipment, and is readily removable without material damage to the Railroad Equipment to which it is attached; such improvement or addition, unless necessary for compliance with Section 5 hereof, shall remain the property of the Debtor and not be subject to this agreement. Any other improvement, addition, or modification shall be made only with the Secured Party's prior consent, and shall become an accession, as aforesaid.

(j) Inspection. The Secured Party shall have the right, by its agents, to inspect the Railroad Equipment and the records of the Debtor pertaining to the Railroad Equipment at any reasonable time.

6. Perfection of Secured Party's Lien.

(a) This agreement or a counterpart or copy or a memorandum hereof or evidence hereof may be filed or recorded in any public office as may be necessary or appropriate to protect the interest of the Secured Party in the Collateral. The Debtor shall, at its own expense, file and record appropriate evidence of this agreement, any assignments hereof and amendments hereto pursuant to Section 11301 of Title 49 of the United States Code.

(b) Any lease of any item of Railroad Equipment or a memorandum of such lease may be filed or recorded in any public office as may be necessary or appropriate to protect the intent of the Secured Party in such lease. The Debtor shall, at its own expense, file and record appropriate evidence of such lease, any assignments thereof and amendments thereto pursuant to Section 11301 of Title 49 of the United States Code.

(c) Secured Party shall be entitled to hold, and Debtor shall deliver to Secured Party, all executed Schedules which are denominated "Originally Executed Copy No. 1 of originally executed copies."

(d) Debtor at its own expense shall execute and file any other documents requested by Secured Party which are necessary or appropriate to protect Secured Party's interests.

(e) Secured Party is hereby authorized to file a UCC-1 Financing Statement and all other documents appropriate for perfecting Secured Party's lien on the Collateral.

7. Assignments and Creation of Other Liens.

(a) The Debtor shall not, without first obtaining the written consent of the Secured Party, assign or transfer its rights hereunder or transfer any item of Collateral except to an affiliate (and then only subject to this agreement and without releasing the Debtor from its obligations hereunder) and the Debtor shall not, without such written consent, except as provided in this section, part with the possession of, or suffer or allow to pass out of its possession or control, any item of Collateral; provided, however, that the Debtor, so long as it shall not be in default under the terms of this agreement, shall be entitled to let or lease the Railroad Equipment or any part thereof under a lease or car hire contract that expressly provides that the rights of the lessee or user in and to such Railroad Equipment will be subject to the rights of the Secured Party in and to such Railroad Equipment, including the rights of the Secured Party upon the happening of an Event of Default hereunder. All of such leases of the Railroad Equipment shall be only with Dana Container, Inc.

(b) The Debtor shall not create or permit to exist any claims, liens, security interests, or other encumbrances of any nature upon or against any item of Collateral (except pursuant to this agreement, any assignment of this agreement by the Secured Party and any encumbrance resulting from claims against the Secured Party not related to the transactions contemplated hereby), and the Debtor shall take such action at its own expense as may be necessary to duly discharge any such encumbrance.

8. Late Charges and Other Fees.

Any payment not made when due shall, at the option of Secured Party, bear late charges thereon calculated at the rate of one and one-half percent (1.5%) per month, but in no event greater than the highest rate permitted by relevant law. Debtor shall be responsible for and pay to Secured Party a returned check fee, not to exceed the maximum permitted by law, which fee will be equal to the sum of (i) the actual bank charges incurred by Secured Party plus (ii) all other actual costs and expenses incurred by Secured Party. The returned check fee is payable upon demand as indebtedness secured by the Collateral under this Security Agreement.

9. Debtor's Warranties and Representations. Debtor warrants and represents:

(a) that Debtor is justly indebted to Secured Party for the full amount of the indebtedness set forth on each Schedule;

(b) that except for the security interest granted hereby, the Collateral is free from and will be kept free from all liens, claims, security interests and encumbrances;

(c) that no financing statement covering the Collateral or any proceeds thereof is on file in favor of anyone other than Secured Party, but if such other financing statement is on file, it will be terminated or subordinated;

(d) that all information supplied and statements made by Debtor in any financial, credit or accounting statement or application for credit prior to, contemporaneously with or subsequent to the execution of this Security Agreement with respect to this transaction are and shall be true, correct, valid and genuine;

(e) that Debtor has full authority to enter into this agreement and in so doing it is not violating its charter or by-laws, any law or regulation or agreement with third parties, and it has taken all such action as may be necessary or appropriate to make this Security Agreement binding upon it; and

(f) If Debtor is an organization, Debtor (a) is the type of organization, (b) is organized under the laws of the jurisdiction, (c) has its chief executive office, and (d) if it is a "registered organization" as defined in Article 9 of the Uniform Commercial Code (i.e. organized solely under the laws of a single State and as to which the State must maintain a public record showing the organization to have been organized), has the organizational identification number (or, if none, has been assigned no such number by the State of organization), all as set forth under Debtor's name (which is its exact and complete legal name) at the signature line of this Security Agreement. If Debtor is an individual, Debtor's exact and complete legal name and principal residence are set forth at and under your name at the signature line of this Security Agreement. Debtor agrees to notify Secured Party immediately in the event of a change in any of the foregoing facts and information.

10. Debtor's Agreements. Debtor agrees:

(a) to defend at Debtor's own cost any action, proceeding, or claim affecting the Collateral;

(b) to pay reasonable attorneys' fees (at least 15% of the unpaid balance if not prohibited by law) and other expenses incurred by Secured Party in enforcing its rights against Debtor under this Security Agreement;

(c) to pay promptly all taxes, assessments, license fees and other public or private charges when levied or assessed against the Collateral or this Security Agreement, and this obligation shall survive the termination of this Security Agreement;

(d) that if a certificate of title be required or permitted by law, Debtor shall obtain such certificate with respect to the Collateral, showing the security interest of Secured Party thereon and in any event do everything necessary or expedient to preserve or perfect the security interest of Secured Party;

(e) that Debtor will not misuse, fail to keep in good repair, secrete or without the prior written consent of Secured Party, sell, or transfer any of the Collateral notwithstanding Secured Party's right to proceeds;

(f) that Secured Party may enter upon Debtor's premises or wherever the Collateral may be located at any reasonable time to inspect the Collateral and Debtor's books and records pertaining to the Collateral, and Debtor shall assist Secured Party in making such inspection;

(g) that the security interest granted by Debtor to Secured Party shall continue effective irrespective of any retaking or redelivery of any Collateral and irrespective of the payment of the amount described in any Schedule so long as there are any obligations of any kind, including obligations under guarantees or assignments, owed by Debtor to Secured Party; provided, however, upon any assignment of this Security Agreement the Assignee (as

defined below) shall thereafter be deemed for the purpose of this Paragraph the Secured Party under this Security Agreement;

(h) upon the request of Secured Party, if any of the Collateral consists of software, to inform Secured Party of the name of the licensor of such software and to provide Secured Party with a copy of the license agreement;

(i) Debtor shall indemnify and hold Secured Party harmless from and against any and all claims, damages, liabilities, actions, and expenses (including attorneys' fees) of every kind (collectively, the "Claims") arising out of or relating to any of the following: (i) a breach of any obligations or warranties under this Agreement; (ii) any act or omission by Debtor or any Guarantor or their employees or agents; or (iii) the Collateral. Debtor's obligation to indemnify under this provision shall survive the cancellation of the obligations and the release of the Secured Party's lien on any Collateral; and

(j) Upon Secured Party's request, Debtor, at Debtor's expense, shall: (i) execute (or re-execute) and deliver such further documents and notices satisfactory to Secured Party and take any action requested by Secured Party to carry out the intent of this Agreement.

11. Insurance and Risk of Loss.

(a) All risk of loss, damage to or destruction of the Collateral shall at all times be on Debtor. Debtor will procure forthwith and maintain at Debtor's own expense: insurance against all risks of loss or physical damage to the Collateral ("Casualty Insurance") for the full insurable value thereof for the life of this Security Agreement plus breach of warranty insurance and such other insurance thereon in amounts and against such risks as Secured Party may specify, and public liability insurance ("Liability Insurance") in connection with all items of Collateral in amount and against risks customarily insured against as relates to similar assets in similar use. Debtor shall promptly deliver each insurance policy to Secured Party with an endorsement attached thereto showing loss payable to Secured Party; and providing Secured Party with not less than 30 days written notice of cancellation; each such policy shall be in form, terms and amount and with insurance carriers satisfactory to Secured Party; Secured Party's acceptance of policies in lesser amounts or risks shall not be a waiver of Debtor's foregoing obligations. As to Secured Party's interest in such policy, no act or omission of Debtor or any of its officers, agents, employees or representatives shall affect the obligations of the insurer to pay the full amount of any loss.

i. Debtor hereby assigns to Secured Party any monies which may become payable under any such policy of insurance and irrevocably constitutes and appoints Secured Party as Debtor's attorney in fact (a) to hold each original insurance policy, (b) to make, settle and adjust claims under each policy of insurance, (c) to make claims for any monies which may become payable under such and other insurance on the Collateral including returned or unearned premiums, and (d) to endorse Debtor's name on any check, draft or other instrument received in payment of claims or returned or unearned premiums under each policy and to apply the funds to the payment of the indebtedness owing to Secured Party; provided, however, Secured Party is under no obligation to do any of the foregoing.

ii. Should Debtor fail to furnish such insurance policy to Secured Party, or to maintain such policy in full force, or to pay any premium in whole or in part relating thereto, then Secured Party, without waiving or releasing any default or obligation by Debtor, may (but shall be under no obligation to) obtain and maintain insurance and pay the premium therefor on behalf of Debtor and charge the premium to Debtor's indebtedness under this Security Agreement. The full amount of any such premium paid by Secured Party shall be payable by Debtor upon demand, and failure to pay same shall constitute an event of default under this Security Agreement.

(b) Whenever any of the Railroad Equipment shall become lost, stolen, destroyed, inseparably damaged, contaminated with hazardous materials or become unsuitable for use from any cause whatsoever (any such occurrence being herein called a "Casualty Occurrence"), the Debtor shall promptly, after obtaining notice of such Casualty Occurrence, deliver to the Secured Party a certificate of an officer of the Debtor describing such Railroad Equipment and stating the then "Casualty Value" (as defined below) thereof on the date of such Casualty Occurrence and, when the aggregate Casualty Value of Railroad Equipment suffering Casualty Occurrences for

which payment in respect thereof or substitution therefor has not been made as hereinafter provided equals \$ _____, shall either:

i. pay to the Secured Party, for application to the indebtedness of the Debtor hereunder, an amount in cash equal to such aggregate Casualty Value plus any accrued interest thereon (but without premium), or

ii. transfer or cause to be transferred to the Secured Party additional Railroad Equipment having an aggregate cost or fair market value not less than one hundred and twenty-five percent (125%) of such aggregate Casualty Value and, in the case of used Railroad Equipment being so transferred, a remaining useful life at least equal to the period remaining until the final maturity of the indebtedness secured hereby, together with a certificate of an officer of the Debtor specifying the units of Railroad Equipment to be transferred and the cost or fair market value thereof and the certificates, invoices, bills of sale and opinions of counsel provided in Section 4_ hereof [reference to section containing closing conditions].

The term "Casualty Value" with respect to any unit of Railroad Equipment shall mean, as of the time of determination, the unpaid indebtedness of the Debtor secured hereby multiplied by a fraction, the numerator of which shall be the original cost of the unit of Railroad Equipment suffering the Casualty Occurrence and the denominator of which shall be the original cost of all units of Railroad Equipment then subject to this agreement.

The rights and remedies of the Secured Party to enforce or to recover any of the payments due hereunder shall not be affected by reason of any Casualty Occurrence.

(c) Debtor is authorized by Secured Party to act as self-insurer as to any Casualty Insurance referred to above but not as to any Liability Insurance on condition that Debtor maintain adequate reserves in connection with such Casualty Insurance.

12. Events of Default; Acceleration.

(a) A very important element of this Security Agreement is that Debtor make all its payments promptly as agreed upon. It is essential that the Collateral remain in good condition and adequate security for the indebtedness. The following are events of default under this Security Agreement which will allow Secured Party to take such action under this Paragraph and under Paragraph 10 as it deems necessary:

- i. any of Debtor's obligations to Secured Party under any agreement with Secured Party is not paid or performed promptly when due;
- ii. Debtor breaches any warranty or provision hereof, or of any note or of any other instrument or agreement delivered by Debtor to Secured Party in connection with this or any other transaction;
- iii. Debtor dies, becomes insolvent or ceases to do business as a going concern;
- iv. it is determined that Debtor has given Secured Party materially misleading information regarding its financial condition;
- v. any of the Collateral is lost or destroyed;
- vi. a complaint in bankruptcy or for arrangement or reorganization or for relief under any insolvency law is filed by or against Debtor or Debtor admits its inability to pay its debts as they mature;
- vii. property of Debtor is attached or a receiver is appointed for Debtor;
- viii. whenever Secured Party in good faith believes the prospect of payment or performance is impaired or in good faith believes the Collateral is insecure;

ix. any guarantor, surety or endorser for Debtor dies or defaults in any obligation or liability to Secured Party or under any guaranty obtained in connection with this transaction is terminated or breached; or

x. a third party takes any action to foreclose on, obtain possession or control of, collect, sell or otherwise dispose of, or exercise any rights with respect to, any of the Collateral without the express written consent of Secured Party.

xi. any Railroad Equipment is used for the handling, transportation or storage of hazardous material or waste as defined by any Federal, State or local law or regulation.

(b) If Debtor shall be in default hereunder, the indebtedness described in each Schedule and all other indebtedness then owing by Debtor to Secured Party under this or any other present or future agreement (collectively, the "indebtedness") shall, if Secured Party shall so elect, become immediately due and payable. After acceleration:

i. the unpaid principal balance of the indebtedness described in any Schedule in which interest has been precomputed shall bear interest at the rate of 18% per annum (or, if less, the maximum rate permitted by law) until paid in full; and

ii. the unpaid principal balance of the indebtedness described in any Schedule in which interest has not been precomputed shall bear interest at the same rate as before acceleration until paid in full.

In no event shall the Debtor upon demand by Secured Party for payment of the indebtedness, by acceleration of the maturity thereof or otherwise, be obligated to pay any interest in excess of the amount permitted by law. Any acceleration of the indebtedness, if elected by Secured Party, shall be subject to all applicable laws, including laws relating to rebates and refunds of unearned charges.

13. Secured Party's Remedies After Default; Consent to Enter Premises.

(a) Upon Debtor's default and at any time thereafter, Secured Party shall have all the rights and remedies of a secured party under the Uniform Commercial Code and under Title 49 of the United States Code and any other applicable laws, including the right to any deficiency remaining after disposition of the Collateral for which Debtor hereby agrees to remain fully liable. Debtor agrees that Secured Party, by itself or its agent, may without notice to any person and without judicial process of any kind, enter into any premises or upon any land owned, leased or otherwise under the real or apparent control of Debtor or any agent of Debtor where the Collateral may be or where Secured Party believes the Collateral may be, and disassemble, render unusable and/or repossess all or any item of the Collateral, disconnecting and separating all Collateral from any other property and using all force necessary. Debtor expressly waives all further rights to possession of the Collateral after default and all claims for injuries suffered through or loss caused by such entering and/or repossession. Secured Party may require Debtor to assemble the Collateral and return it to Secured Party at a place to be designated by Secured Party which is reasonably convenient to both parties.

(b) Secured Party may sell or lease the Collateral at a time and location of its choosing provided that the Secured Party acts in good faith and in a commercially reasonable manner. Secured Party will give Debtor reasonable notice of the time and place of any public sale of the Collateral or of the time after which any private sale or any other intended disposition of the Collateral is to be made. Unless otherwise provided by law, the requirement of reasonable notice shall be met if such notice is mailed, postage prepaid to the address of Debtor shown herein at least ten days before the time of the sale or disposition. Expenses of retaking, holding, preparing for sale and the like shall include reasonable attorneys' fees (at least 15% of the outstanding principal balance if not prohibited by law) and other legal expenses. Debtor understands that Secured Party's rights are cumulative and not alternative.

14. Waiver of Defaults; Agreement Inclusive.

Secured Party may in its sole discretion waive a default, or cure, at Debtor's expense, a default. Any such waiver in a particular instance or of a particular default shall not be a waiver of other defaults or the same kind of default at another time. No modification or change in this Security Agreement or any related note, instrument or agreement shall bind Secured Party unless in writing signed by Secured Party. No oral agreement shall be binding.

15. Financing Statements; Certain Expenses.

Debtor authorizes Secured Party to file a financing statement with respect to the Collateral and ratifies the filing by Secured Party of and such financing statements previously filed. At the request of Secured Party, Debtor will execute any financing statements, agreements or documents, in form satisfactory to Secured Party which Secured Party may deem necessary or advisable to establish and maintain a perfected security interest in the Collateral and will pay the cost of filing or recording the same in all public offices deemed necessary or advisable by Secured Party. Debtor also agrees to pay all costs and expenses incurred by Secured Party in conducting UCC, tax or other lien searches against the Debtor or the Collateral and such other fees as may be agreed.

16. Waiver of Defenses Acknowledgment.

If Secured Party assigns this Security Agreement to a third party ("Assignee"), then after such assignment:

- (a) Debtor will make all payments directly to such Assignee at such place as Assignee may from time to time designate in writing;
- (b) Debtor agrees that it will settle all claims, defenses, setoffs and counterclaims it may have against Secured Party directly with Secured Party and will not set up any such claim, defense, setoff or counterclaim against Assignee, Secured Party hereby agreeing to remain responsible therefor;
- (c) Secured Party shall not be Assignee's agent for any purpose and shall have no authority to change or modify this Security Agreement or any related document or instrument; and
- (d) Assignee shall have all of the rights and remedies of Secured Party hereunder but none of Secured Party's obligations.

17. Miscellaneous.

- (a) Debtor waives all exemptions. Secured Party may correct patent errors herein and fill in such blanks as serial numbers, date of first payment and the like. Any provisions hereof contrary to, prohibited by or invalid under applicable laws or regulations shall be inapplicable and deemed omitted herefrom, but shall not invalidate the remaining provisions hereof.
- (b) Debtor and Secured Party each hereby waive any right to a trial by jury in any action or proceeding with respect to, in connection with, or arising out of this Security Agreement, or any note or document delivered pursuant to this Security Agreement. Except as otherwise provided herein or by applicable law, the Debtor shall have no right to prepay the indebtedness described in any Schedule. Debtor acknowledges receipt of a true copy and waives acceptance hereof.
- (c) If Debtor is a corporation, this Security Agreement is executed pursuant to authority of its Board of Directors. Except where the context otherwise requires, "Debtor" and "Secured Party" include the heirs, executors or administrators, successors or assigns of those parties; nothing herein shall authorize Debtor to assign this Security Agreement or its rights in and to the Collateral. If more than one Debtor executes this Security Agreement, their obligations under this Security Agreement shall be joint and several.
- (d) If at any time this transaction would be usurious under applicable law, then regardless of any provision contained in this Security Agreement or in any other agreement made in connection with this transaction, it is agreed that:

i. the total of all consideration which constitutes interest under applicable law that is contracted for, charged or received upon this Security Agreement or any such other agreement shall under no circumstances exceed the maximum rate of interest authorized by applicable law and any excess shall be credited to the Debtor; and

ii. If Secured Party elects to accelerate the maturity of, or if Secured Party permits Debtor to prepay the indebtedness described in Paragraph 3, any amounts which because of such action would constitute interest may never include more than the maximum rate of interest authorized by applicable law and any excess interest, if any, provided for in this Security Agreement or otherwise, shall be credited to Debtor automatically as of the date of acceleration or prepayment.

(e) All acts and transactions hereunder and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of Arizona.

(f) Debtor hereby that it shall designate an agent for service of process in Puerto Rico in accordance with all applicable rules and regulations.

18. **Jury Trial Waiver.** SECURED PARTY AND DEBTOR HEREBY VOLUNTARILY, UNCONDITIONALLY AND IRREVOCABLY WAIVE, TO THE EXTENT PERMITTED BY APPLICABLE LAW, TRIAL BY JURY IN ANY LITIGATION ARBITRATION OR PROCEEDING IN A STATE OR FEDERAL COURT WITH RESPECT TO, IN CONNECTION WITH, OR ARISING OUT OF THIS AGREEMENT, OR THE OBLIGATIONS, OR ANY INSTRUMENT OR DOCUMENT DELIVERED IN CONNECTION WITH THIS AGREEMENT, OR THE TRANSACTIONS CONTEMPLATED HEREBY, OR THE VALIDITY, PROTECTION, INTERPRETATION, COLLECTION OR ENFORCEMENT THEREOF, OR ANY OTHER CLAIM OR DISPUTE HOWSOEVER ARISING (INCLUDING TORT AND CLAIMS FOR BREACH OF DUTY), BETWEEN SECURED PARTY AND DEBTOR.

19. **Special Provisions.**

See Special Provisions Instructions.

SEE FINANCIAL COVENANT RIDER CONSISTING OF ONE (1) PAGE ATTACHED HERETO AND MADE A PART HEREOF.

Dated: February 24, 2005

Debtor:

INTERNATIONAL EQUIPMENT LOGISTICS, INC.

By X  Title President

Address

210 EAST ESSEX AVENUE
AVENEL

NJ

07001

If an organization, Type of organization: Corporation

If an individual, Principal residence: _____

Jurisdiction of organization: PUERTO RICO

Organizational Identification Number (or "None"): _____

Location of chief executive office: NJ

Secured Party:

The CIT Group/Equipment Financing, Inc.

By [Signature] Title Agent

Address

P.O. BOX 27248

TEMPE

AZ

85285

If Debtor is a partnership, enter:

Partners' namesHome addresses

NOTICE: In Louisiana, form 2305 must accompany this Agreement. Do not use this form for transactions for personal, family or household purposes. For agricultural and other transactions subject to Federal or State regulations, consult legal counsel to determine documentation requirements.

Agricultural purposes generally means farming, including dairy farming, but it also includes the transportation, harvesting, and processing of farm, dairy, or forest products if what is transported, harvested, or processed is farm, dairy, or forest products grown or bred by the user of the equipment itself. It does not apply, for instance, to a logger who harvests someone else's forest, or a contractor who prepares land or harvests products on someone else's farm.

SPECIAL PROVISIONS INSTRUCTIONS - The notations to be entered in the Special Provisions section of this document for use in ALABAMA, FLORIDA, GEORGIA, IDAHO, NEVADA, NEW HAMPSHIRE, OREGON, SOUTH DAKOTA and WISCONSIN are shown in the applicable State pages of the Loans and Motor Vehicles Manual.

STATE OF Arizona)COUNTY OF Maricopa)

Re: Master Security Agreement and Schedule of Indebtedness No. 1 between
International Equipment Logistics, Inc. as Debtor and The CIT Group/Equipment
Financing, Inc. as Secured Party.

On this 3rd day of March, 2005, before me, a Notary Public in and for said County and
State, personally appeared Bruce Nelson, who, being by me duly sworn, says that he/she
is the Agent of The CIT Group/Equipment Financing, Inc., that said instrument was
signed on March 2, 2005 on behalf of said corporation by authority of its Board of
Directors, and he/she acknowledged that the execution of foregoing instrument was the
free act and deed of the corporation.



Brenda Feller
Notary Public

My Commission expires: March 20, 2004

STATE OF NJ)
COUNTY OF Middlesex)

Re: Master Security Agreement and Schedule of Indebtedness No. 1 between
International Equipment Logistics, Inc. as Debtor and The CIT Group/Equipment
Financing, Inc. as Secured Party.

On this 24th day of February, 2005, before me, a Notary Public in and for said County
and State, personally appeared Ren Dang, who, being by me duly
sworn, says that he/she is the President of International Equipment Logistics, Inc. that said
instrument was signed on February 24, 2005 on behalf of said corporation by authority of
its Board of Directors, and he/she acknowledged that the execution of foregoing
instrument was the free act and deed of the corporation.

Kathleen M. Murphy
Notary Public

My Commission expires: 3/25/05

KATHLEEN M. MURPHY
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Mar. 25, 2005

FINANCIAL REPORT COVENANT RIDER

COVENANT RIDER TO MASTER SECURITY AGREEMENT
DATED February 24, 2005
BETWEEN THE CIT GROUP/EQUIPMENT FINANCING, INC. AS SECURED PARTY
AND INTERNATIONAL EQUIPMENT LOGISTICS, INC. AS DEBTOR

DEBTOR COVENANTS AND AGREES THAT DURING THE TERM OF THIS AGREEMENT, IT
WILL PROVIDE TO THE CIT GROUP/EQUIPMENT FINANCING, INC. (CIT) WITHIN 90 DAYS
AFTER THE END OF ITS FISCAL YEAR, A COMBINED AND COMBINING BALANCE SHEETS
AND INCOME STATEMENTS OF DEBTOR, DANA CONTAINER, INC., DANA TRANSPORT,
INC., AND SUTTLES TRUCK LEASING, L.L.C., AUDITED AND PREPARED IN ACCORDANCE
WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES CONSISTENTLY APPLIED.

DEBTOR:
INTERNATIONAL EQUIPMENT LOGISTICS, INC.

BY: 

TITLE: *President

Send to the attention of: Credit Compliance Department
The CIT Group/Equipment Financing, Inc.
1540 W. Fountainhead Pkwy.
Tempe, AZ 85282

Schedule No. 1

Schedule of Indebtedness and Collateral

To Master Security Agreement dated February 24, 2005, between the undersigned Secured Party and Debtor.

This Schedule of Indebtedness and Collateral incorporates the terms and conditions of the above-referenced Master Security Agreement.

This is Originally Executed Copy No. 1 of 1 originally executed copies. Only transfer of possession by Secured Party of Originally Executed Copy No. 1 shall be effective for purposes of perfecting an interest in this Schedule by possession.

The equipment listed on this Schedule will be located at all times within the forty-eight (48) contiguous states of the United States.

Debtor grants to Secured Party a security interest in the property described below, along with all present and future attachments and accessories thereto and replacements and proceeds thereof, including amounts payable under any insurance policy, all hereinafter referred to collectively as "Collateral".

Collateral Description (Describe Collateral fully including make, kind of unit, model and serial numbers and any other pertinent information.)

TWENTY (20) AMERICAN RAILCAR 25,500 EC/I TANKCARS, ID#S: DNAX 125025, DNAX 125026, DNAX 125027, DNAX 125028, DNAX 125029, DNAX 125030, DNAX 125031, DNAX 125032, DNAX 125033, DNAX 125034, DNAX 125035, DNAX 125036, DNAX 125037, DNAX 125038, DNAX 125039, DNAX 125040, DNAX 125041, DNAX 125042, DNAX 125043 & DNAX 125044

All of the above to include tires, wheels, attachments, replacements, substitutions, additions and accessions thereof, plus the proceeds of all the foregoing and all leases, other chattel paper, rentals, accounts, general intangibles and other income relating thereto and arising therefrom and all cash and non-cash proceeds thereof.

Debtor promises to pay Secured Party the total sum of \$ [REDACTED] which represents principal and interest precomputed over the term hereof, payable in [REDACTED] combined principal and interest payments of [REDACTED] each commencing on and a like sum on a like date each month thereafter until fully paid, provided however, that the final payment shall be in the amount of the unpaid balance and interest. Payment shall be made at the address of Secured Party shown on the Master Security Agreement or such other place as Secured Party may designate from time to time.

From and after the execution of this Agreement, so long as no event of default has occurred under the Master Security Agreement, Debtor may prepay the principal and interest owed to Secured Party under this Schedule only as follows:

During Year 1:	NO PREPAYMENT ALLOWED
During Year 2	payment of fee equal to five percent (5%) of the outstanding balance
During Year 3	payment of fee equal to four percent (4%) of the outstanding balance
During Year 4	payment of fee equal to three percent (3%) of the outstanding balance
During Year 5	payment of fee equal to two percent (2%) of the outstanding balance

Special Provisions.

PAYMENTS OF [REDACTED] FOLLOWED BY ONE (1) FINAL BALLOON PAYMENT OF [REDACTED] UNTIL FULLY PAID, PROVIDED, HOWEVER, THAT THE FINAL PAYMENT IS IN THE AMOUNT OF THE THEN UNPAID BALANCE.

SEE RENTAL RIDER CONSISTING OF ONE (1) ATTACHED HERETO AND MADE A PART HEREOF.

Accepted 3-2-05

Secured Party:

The CIT Group/Equipment Financing, Inc.

By [Signature] Title Agent

Executed on 3-2-05

Debtor:

INTERNATIONAL EQUIPMENT LOGISTICS, INC.

By [Signature] Title President

Executed on February 24, 2005

02/24/2005 12:33 FAX 4808581481

Financial Service

016

RENTAL RIDER

THIS RIDER IS ATTACHED TO AND HEREBY MADE A PART OF
SCHEDULE OF INDEBTEDNESS AND COLLATERAL NO. 1
DATED February 24, 2005 TO MASTER SECURITY AGREEMENT BETWEEN
INTERNATIONAL EQUIPMENT LOGISTICS, INC.
AS DEBTOR AND THE CIT GROUP/EQUIPMENT
FINANCING, INC. AS SECURED PARTY, DATED
FEBRUARY 24, 2005

1. Notwithstanding anything to the contrary contained in this Security Agreement, Debtor may from time to time lease the collateral to DANA CONTAINER, INC. ("lessee"). It is agreed that the rental installments under any such lease arrangement will be due on a month-to-month or on a shorter basis and that in no event shall any such lease agreement have a term in excess of three months without the prior written approval of the secured party. In addition, any leasing arrangement between Debtor and any lessee shall be, and shall provide that it is and will be, subject and subordinate to Secured Party's security interest and rights in the collateral. Debtor hereby agrees that Secured Party shall at any time and from time to time have full access to and the right to inspect the collateral hereunder whether such collateral is located on Debtor's premises or on the premises of a lessee. In the event of default Debtor shall also report the location of the collateral to the Secured Party monthly. In no event shall the debtor remove or permit the collateral to be removed outside of the forty-eight contiguous states of the United States.

2. To further secure payment of all Debtor's obligations under this Security Agreement, Debtor hereby pledges and assigns any such leases with respect to the collateral hereunder which may now exist or hereafter arise together with all rights thereunder and all lease payments due and to be come due thereunder. The debtor agrees to deliver any and all such leases together with such instruments requested by Secured Party to evidence and confirm the aforesaid pledge. So long as the debtor is not in default in the performance of any obligations hereunder, Debtor may collect and retain all lease payments due and owing under such leases directly from the lessee. In no event, however, shall the debtor collect lease payments more than three month in advance. No lease of the collateral hereunder shall relieve the debtor from any of its obligations to Secured Party hereunder.

SECURED PARTY:

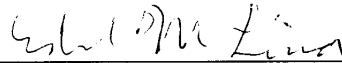
The CIT Group/Equipment Financing, Inc.

By: Title: Agent**DEBTOR:**INTERNATIONAL EQUIPMENT LOGISTICS, INC.By: Title: President

CERTIFICATION

I, Edward M. Luria, an attorney licensed to practice in the District of Columbia, the State of Delaware and the Commonwealth of Pennsylvania, do hereby certify under penalty of perjury that I have compared the attached copy with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated: March 3, 2005

A handwritten signature in black ink, appearing to read "Edward M. Luria", written over a horizontal line.

Edward M. Luria